

To: Mayor & City Council

Through: City Manager

Agenda Item Number 43

Meeting Date: 11/01/01

SUBJECT: SOUTH MOUNTAIN COMMERCE CENTER #SPD-2001.62

**PREPARED BY:** DeeDee (D<sup>2</sup>) Kimbrell, Planner II (480-350-8331)

**REVIEWED BY:** Dave Fackler, Development Services Manager (480-350-8333)

**BRIEF:** This is the second public hearing for South Mountain Commerce Center for an Amended

Preliminary and Final Planned Area Development at 2420 West Baseline Road.

COMMENTS: PLANNED DEVELOPMENT (0406) Hold the second public hearing for SOUTH

**MOUNTAIN COMMERCE CENTER** (Michael Freret, Orsett Southwest, Ltd., Property owner) for an office complex in the I-1 Zoning District, located at 2420 West Baseline Road.

The following approval is requested from the City of Tempe:

#SPD-2001.62 An Amended Preliminary and Final Planned Area Development for a 105,000 s.f.

one story office complex on 8.92 net acres at 2420 West Baseline Road.

**Document Name**: 20011101devsrh10 Supporting Documents: Yes

**SUMMARY:** 

This proposal is for an Amended Preliminary and Final Planned Area Development for South Mountain Commerce Center consisting of a single story office building with a total of 105,000 s.f. on 8.98 net acres at the northwest corner of Baseline Road and Calle los Cerros Drive. No variances or use permits are requested in the application. The current approved and recorded plan included two, 4-story office buildings and a single level parking structure that was oriented to the north of the site as a buffer between the office buildings and the single family residential district.

On March 29, 2001, City Council approved an Amended Preliminary and Final Planned Area Development for a 91,000 s.f. one story office complex. Since then, the applicant has identified a substantial slowdown in the commercial real estate market which has caused Orsett (property owner) to revise the approved plan and expand the size of the building by 15%. They believe these modifications will significantly enhance the project's chances for attracting quality tenants and help create a long-term desirable office environment. The current proposal primarily consists of the same layout that was approved by City Council in March 2001. It encompasses a single story office building, which is oriented towards the southern portion of the site with all surface parking. To accomplish the increase in the building size, the architect extended both sides/ends of the building by 60 feet to the north and slightly reconfigured the parking area.

Staff is recommending approval subject to the attached conditions. To date, staff has received phone calls and one letter stating concerns about the proposal. Staff has also received two petitions signed by neighbors one in support and one in opposition. At the Planning Commission hearing on September 25, 2001, the neighbors expressed support and opposition for the proposal. Planning Commission approved this request by a 4-3 vote. Note: The first public hearing for this request was held on October 11, 2001.

**RECOMMENDATION:** Staff – Approval, subject to conditions

Public – Support and opposition

Planning Commission – Approval (4-3 vote)

### ATTACHMENTS: 1.

- 1. List of Attachments
- 2. History & Facts
- 3-4. Description / Comments / Reason(s) for Approval
- 4-7. Conditions of Approval
  - A. Location Map
  - B. Letter of Explanation/Intent
  - C. Amended Preliminary and Final Planned Area Development
  - D. Floor Plan
  - E. Elevations
  - F. Conceptual Landscape Plan
  - G. Approved & Recorded Plan (1987)
  - H. Recently Approved Plan (03/29/01)
  - I. Aerial Photo of Site
  - J. Public Works Transportation Staff's Conceptual Median Design
  - K. Revised Traffic Study (09/2001)
  - L. Letter of Opposition (09/21/01)
  - M. Petition from neighbors in opposition (09/25/01)
  - N. Petition from neighbors in support (09/25/01)
  - O. Commission Minutes (09/25/01)

### **HISTORY & FACTS:**

May 20, 1982.	City Council approved the rezoning of the subject site from R1-6 to I-1, with conditions based on a specific site plan.
November 10, 1987.	Planning Commission recommended approval for a Preliminary PAD with conditions, by a 6-0 vote.
December 10, 1987.	City Council approved the request for a Preliminary PAD for Centre Development Office Building, consisting of 240,000 s.f. (plus 280,000 s.f. parking garage).
March 28, 2000.	Planning & Zoning Commission accepted the withdrawal of the request by South Mountain Corporate Center (Sid Montague, Orsett Properties, property owner) for an Amended Preliminary and Final PAD.
August 8, 2000.	Planning & Zoning Commission voted 5-2 to approve the request for an Amended Preliminary and Final P.A.D. for an 82,000 s.f. one story office complex.
September 21, 2000.	City Council held the first public hearing, there were both opposition and support from neighbors for the request for an Amended Preliminary and Final P.A.D. for an 82,000 s.f. one story office complex.
October 5, 2000.	City Council continued the request for an Amended Preliminary and Final P.A.D. for an 82,000 s.f. one story office complex, until November 16, 2000 to uphold the request by Development Services and Public Works / Transportation so the traffic impact analysis could be completed prior to the second hearing.
November 16, 2000.	At City Council the applicant brought a revised site plan to address some of the neighbors concerns. Council remanded the applicant to take the revised site plan back to Planning Commission and Design Review to be completely reviewed.
February 13, 2001.	Planning Commission recommended approval for an Amended Preliminary and Final P.A.D. for a 91,000 s.f. one story office complex by a 4-3 vote at their meeting.
February 21, 2001.	Design Review Board approved the building elevations, site plan and landscape plan with conditions for a 91,000 s.f. one story office complex.
March 29, 2001.	City Council approved the request for an Amended Preliminary and Final Planned Area Development for a 91,000 s.f. one story office complex on 8.98 net acres.
September 25, 2001.	Planning Commission recommended approval for an Amended Preliminary and Final P.A.D. for a 105,000 s.f. one story office complex by a 4-3 vote.
October 3, 2001.	Design Review Board continued the request for building elevations, site plan and landscape plan at the applicant's request.

October 11, 2001. City Council held their first public hearing for an Amended Preliminary and Final

P.A.D. for a 105,000 s.f. one story office complex.

October 17, 2001. Design Review Board approved the request for building elevations, site plan and

landscape plan by a 7-0 vote.

**DESCRIPTION:** Owner – Orsett/Southwest, Ltd. (Michael Freret)

Applicant –John Turner

Architect – Butler Design Group, Jeff Cutberth

Existing zoning – I-1

Total site area – 8.98 acres

Total bldg. area -105,000 s.f.

Maximum allowed lot coverage – 50%

Lot coverage provided – 27%

Parking required – 420 spaces

Total Parking provided – 525 spaces

Bicycle parking required – 42 spaces

Bicycle parking provided – 42 spaces

Landscaping – 32%

**COMMENTS:** 

In 1987 City Council approved a plan that consisted of two 4-story office buildings and a parking structure that exceeded the allowable building height of 30 feet. That approval also included variances for the building height from 30 feet to 54 feet (63 feet to top of Penthouse) and an increase of allowable lot coverage from 50% to 56%.

The applicant originally submitted a Planned Area Development (PAD) consisting of an 82,000 s.f. single story office building located closer to the north property line and neighbors than the current proposal. That submittal created a substantial amount of interest and opposition by neighbors in regards to building design, height, landscaping, lighting, wall design, and traffic. At City Council on November 16, 2000 the applicant presented a revised plan to address some of the neighbors concerns. That plan was for a 91,000 s.f. one story office building located at the southern end of the site with most of the parking located between the building and the residences to the north. Council remanded the applicant to take the revised site plan back to Planning Commission and Design Review for further review and public input.

On March 29, 2001, City Council approved an Amended Preliminary and Final Planned Area Development for a 91,000 s.f. one story office complex. Since then, the applicant has identified a substantial slowdown in the commercial real estate market which has caused Orsett (property owner) to revise the approved plan and expand the size of the building by 15%. They believe these modifications will significantly enhance the project's chances for attracting quality tenants and help create a long-term desirable office environment. The above noted revised PAD appears to conform to the zoning ordinance and primarily consists of the same layout that was approved by City Council in March 2001. No variances or use permits are requested in this application.

The proposed building is a "c-shaped" single story office building with all surface parking. To accomplish the increase in building size, the architect extended both sides/ends of the building by 60 feet to the north and slightly reconfigured the parking area. Multiple building entries into individual tenant spaces are provided at the front, side and rear elevations. The design of the building utilizes tilt panel masonry construction with masonry veneer accent elements and is approximately the same height as the former proposal.

This revised project still includes one curb cut onto Calle los Cerros, with no right turns permitted into the site by southbound cars on Calle los Cerros and the enhanced landscaped median at the entrance to the neighborhood. Staff believes that the current proposal would be complimentary to, and should have less potential to be disruptive to adjacent properties and uses in the area. Therefore, staff recommends approval subject to conditions. To date, staff has received phone calls and one letter stating concerns about the proposal. Staff has also received two petitions signed by neighbors one in support and one in opposition. At the Planning Commission hearing on September 25, 2001, the neighbors expressed support and opposition for the proposal. Planning Commission approved this request by a 4-3 vote.

### REASONS FOR APPROVAL:

1. The Amended Planned Area Development appears to meet the intent of the zoning ordinance, to function efficiently and should have less potential to be disruptive to adjacent neighbors.

## CONDITION(S) OF APPROVAL:

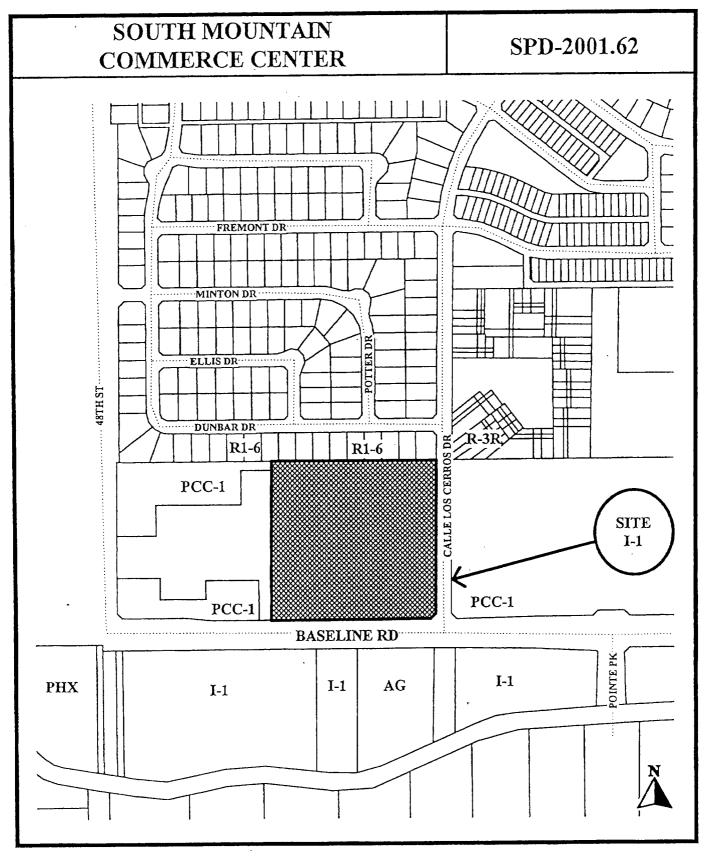
- 1. a. The Public Works Department shall approve all roadway, alley, and utility easement dedications, driveways, storm water retention, and street drainage plans, water and sewer construction drawings, refuse pickup, and off-site improvements.
  - b. Off-site improvements to bring roadways to current standards include:
    - (1) Water lines and fire hydrants
    - (2) Sewer lines
    - (3) Storm drains.
    - (4) Roadway improvements including streetlights, curb, gutter, bikepath, sidewalk, bus shelter, and related amenities.
  - c. Fees to be paid with the development of this project include:
    - (1) Water and sewer development fees.
    - (2) Water and/or sewer participation charges.
    - (3) Inspection and testing fees.
  - d. All applicable off-site plans shall be approved prior to recordation of Final Subdivision Plat.

- 2. a. All street dedications shall be made within six (6) months of Council approval (May 1, 2001).
  - b. Public improvements must be installed prior to the issuance of any occupancy permits. Any phasing shall be approved by the Public Works Department.
  - c. All new and existing, as well as on-site and off-site, utility lines (other than transmission lines) shall be placed underground prior to the issuance of an occupancy permit for this (re)development in accordance with the Code of the City of Tempe Section 25.120.
- 3. Should the property be subdivided, the owner(s) shall provide a continuing care condition, covenant and restriction for all of the project's landscaping, required by Ordinance or located in any common area on site. The CC&R's shall be in a form satisfactory to the Development Services Director and City Attorney.
- 4. Applicant shall contribute on half the cost, not to exceed \$55,000 for design and installation of a traffic light at Baseline Road and Calle los Cerros. City will install the light prior to completion of the building construction.
- 5. The Preliminary and Final Planned Area Development (PAD) shall be put into proper engineered format with appropriate signature blanks and recorded with the Maricopa County Recorder's Office through the City of Tempe's Development Services Department within one year of City Council approval (MUST BE RECORDED BY November 1, 2002). Prior to recordation, the Planning Division within the Development Services Department shall review details of the document format.
- 6. Applicant shall construct and install traffic medians on Calle los Cerros adjacent to development drives to prohibit left turn movements out of the development and into the neighborhood. Medians shall be installed prior to occupancy permits for the building. Plans to reflect the final design prior to recordation. (Refer to Attachment J)
- 7. Applicant shall construct and install a traffic circular island with narrow traffic lanes on Calle los Cerros Drive near the northern property line of the development to create a physical change in the character of the street between the neighborhood and development. The island shall be installed prior to issuance of occupancy permits for the building. It should be designed as a landscape feature to create a "gateway" to the neighborhood. Applicant shall work with transportation staff and the neighborhood to determine final design of this feature. Plans to reflect the final design prior to recordation. (Refer to Attachment J)

- 8. Only one driveway shall be allowed on Calle los Cerros. Details of the driveway design and location to be approved by staff. Plans to be modified prior to recordation.
- 9. Applicant/Owner cannot change or modify floor plate or add bay doors without obtaining approval through a public hearing process.
- 10. Developer shall modify plans to reflect street modifications proposed by the Public Works Department Transportation Division. Final design must maintain a 45-foot turning radius per City of Tempe Engineering Division design criteria. Plans to reflect the final design prior to recordation. (Refer to Attachment J)
- 11. Developer shall fumigate the property for pest control prior to grading and dirt removal.
- 12. Developer shall provide and install a bus shelter and accompanying furniture, etc., a pedestrian access and a deceleration lane, all on Baseline Road; details shall be resolved with Public Works staff and the items installed prior to any occupancy permits being issued for the building.
- 13. Accommodation for bike lanes on Calle los Cerros should be maintained through all street modifications. This may require some street widening in the area of the left turn preventative islands, depending on final detail.
- 14. No variances may be created by future property lines without the prior approval of the City of Tempe.
- 15. The applicant shall comply with all applicable state and federal laws regarding archeological artifacts on this site.
- 16. A lot-tie agreement must be processed with the Development Services Department prior to the issuance of any construction permits for this project.
- 17. Hazardous materials shall be restricted within the building in accordance with the I-1, I-2, C-1 Overlay District standards.
- 18. Developer shall install one additional light pole and lamp and relocate one existing light pole on Baseline Road. Details to be resolved with Public Works staff and work completed prior to issuance of any occupancy permits for the building.

19. Developer shall contribute \$33,500 towards the cost of mitigating the impact of the project on the neighborhood over and above the expenditures for Items 5, 6 & 7. The City will provide the additional funds necessary to complete the traffic mitigation measures determined in consultation with the neighborhood. If the developer's mitigation funds have not been expended by October 18, 2004, the balance of the funds will be returned to the developer. **Note:** If neighborhood desires to reallocate some of the \$33,500 that the applicant is contributing to the traffic mitigation on Minton, Vineyard and Calle los Cerros, it can be applied to the landscape redesign.





Location Map SEE OTHER SIDE FOR MORE INFORMATION



### Re: South Mountain Commerce Center

Orsett Properties owns the property on the northwest corner of Baseline Road and Calle Los Cerros. In April 2001, Orsett received approval from the City Council for a revised PAD with a one-story office building on that site. A substantial slowdown in the commercial real estate market over the past few months has caused Orsett to revise the approved plan and expand the size of the building by 15%. These modifications will significantly enhance the project's chances for attracting quality tenants and help create a long-term desirable office environment. The new site plan shows the proposed 60' extensions to both the 'legs' of the building. This represents the same information included in a package that was hand delivered to over 600 homes prior to the August 9<sup>th</sup> neighborhood meeting hosted by Orsett to answer questions about the proposed changes.

As a result of this expanded plan, Orsett will be able to add the following enhancements and improvements to the site:

Orsett will significantly increase the size of the trees along the north border of the site from 15-gallon size (4 feet average height) to 36-inch box size (8-10 feet average height). Additional trees will also be added to create a third row between the adjacent homes and the office parking area. This will provide a more immediate and significant buffer between the site and the adjacent neighborhood.

Orsett will construct a masonry accent wall adjacent to the building along Calle Los Cerros with flowering beds, 24" and 36" box shade trees, a meandering concrete sidewalk and grassy berms to create a park-like feel. This will provide a more attractive and distinctive entryway to and from the neighborhood.

Orsett will reduce the amount of parking, thereby reducing traffic going to and from the site.

Note that the revised project still includes only one curb cut onto Calle Los Cerros, no right turns permitted into the site by southbound cars on Calle Los Cerros, and the enhanced landscaped median system proposed by the City and supported by the neighborhood last Spring. Also, the revised plan incorporates the neighbors' request to further reduce the height of the building by lowering the floor of the building and moves the building back from Baseline Road an additional 5 feet, creating more landscape buffer along the street frontage.

It is our intent to amend the existing PAD by receiving Planning Commission support, DRB approval, and City Council ratification of the attached submittal.

Sincerely

AUG 1 4 2001

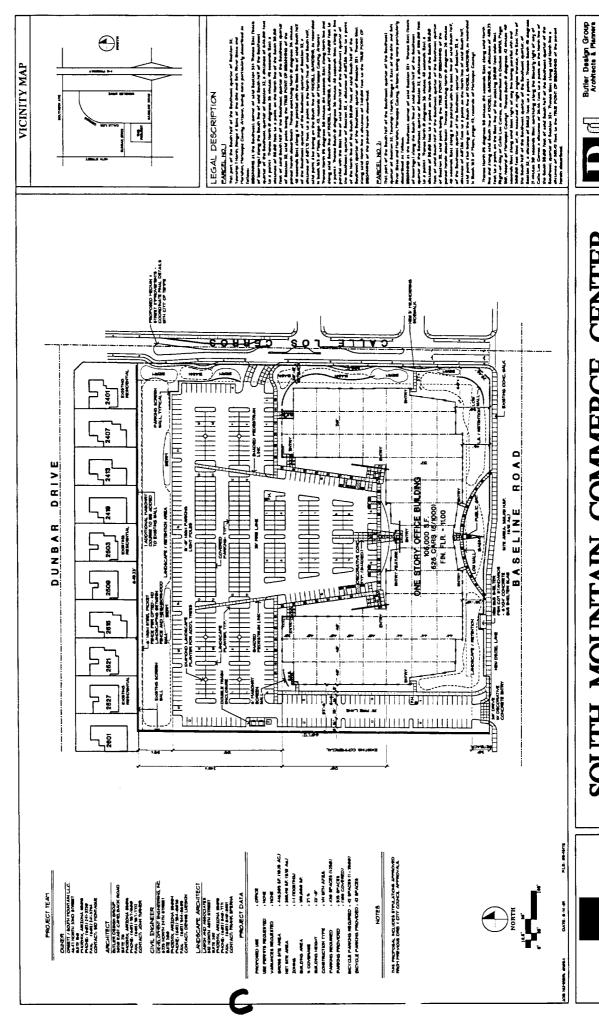
Jeffrey L. Cutberth Butler Design Group

# SOUTH MOUNTAIN COMMERCE CENTER

2420 W BASELINE TEMPE, AZ

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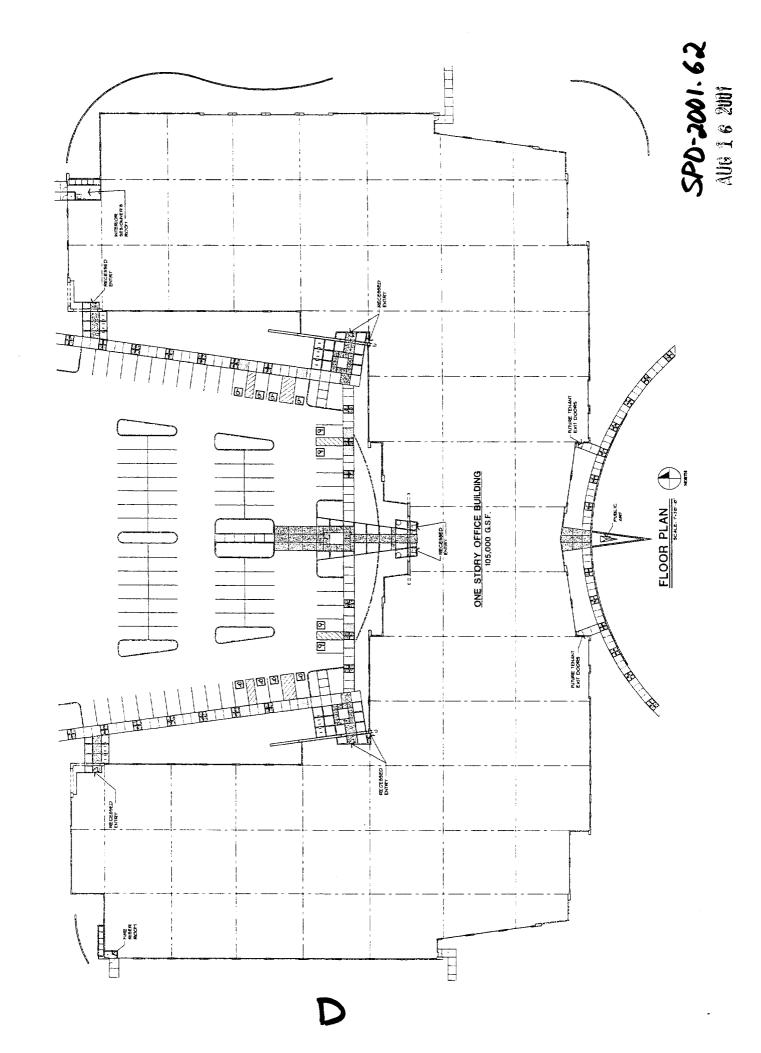
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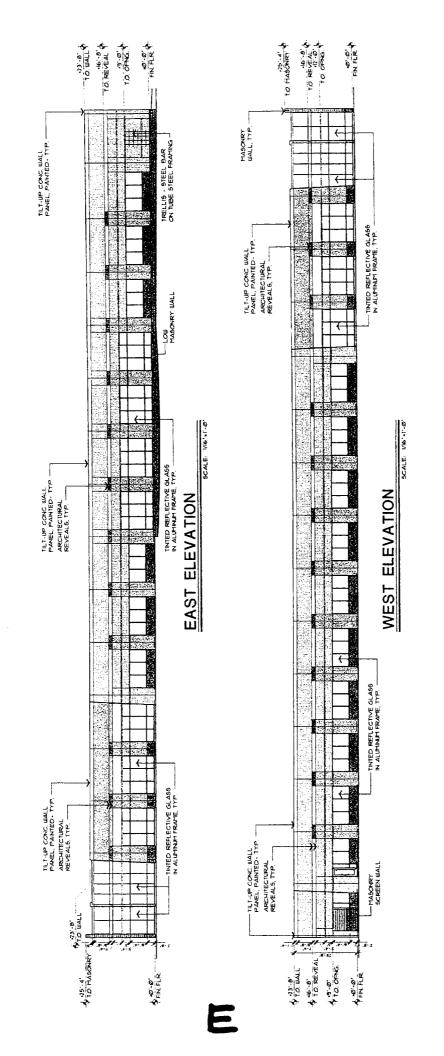
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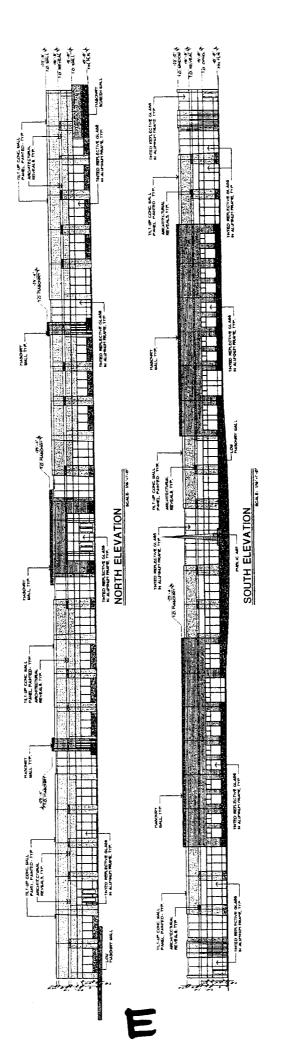
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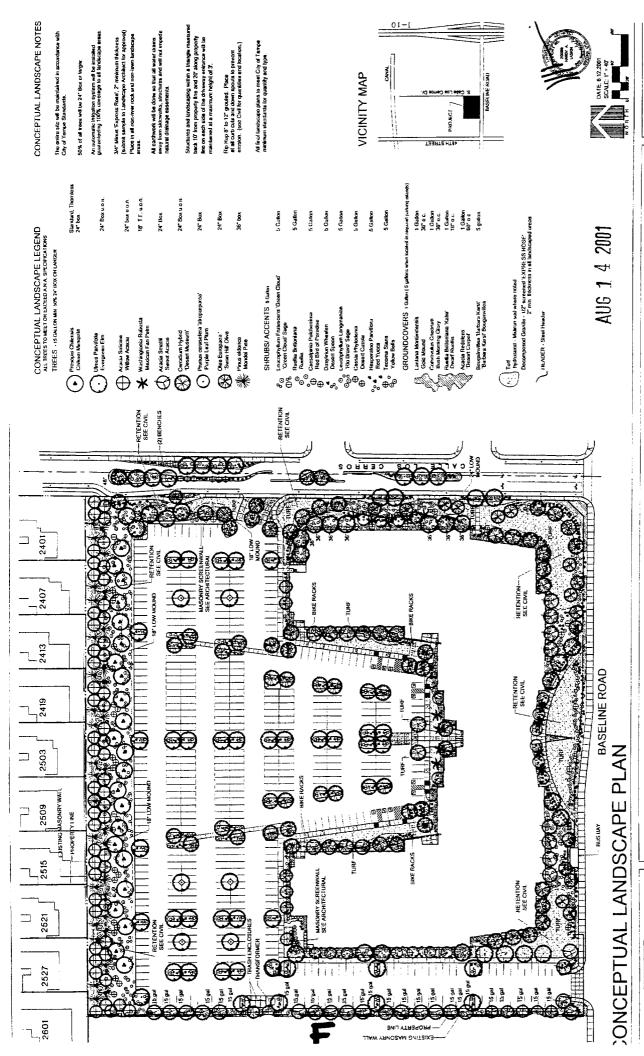
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July 2 & 2000

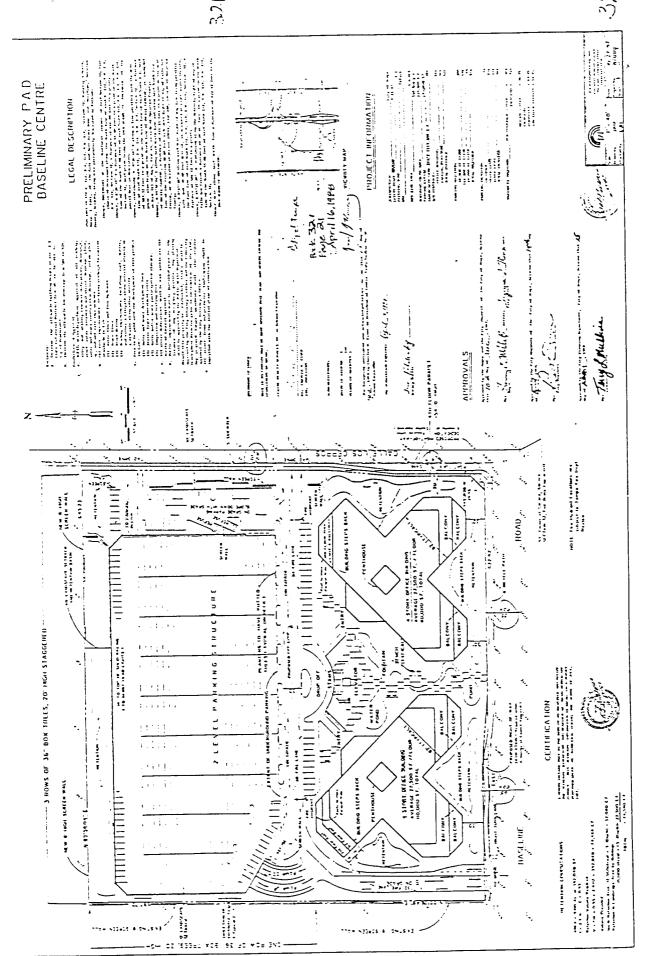


# SOUTH MOUNTAIN COMMERCE CENTER

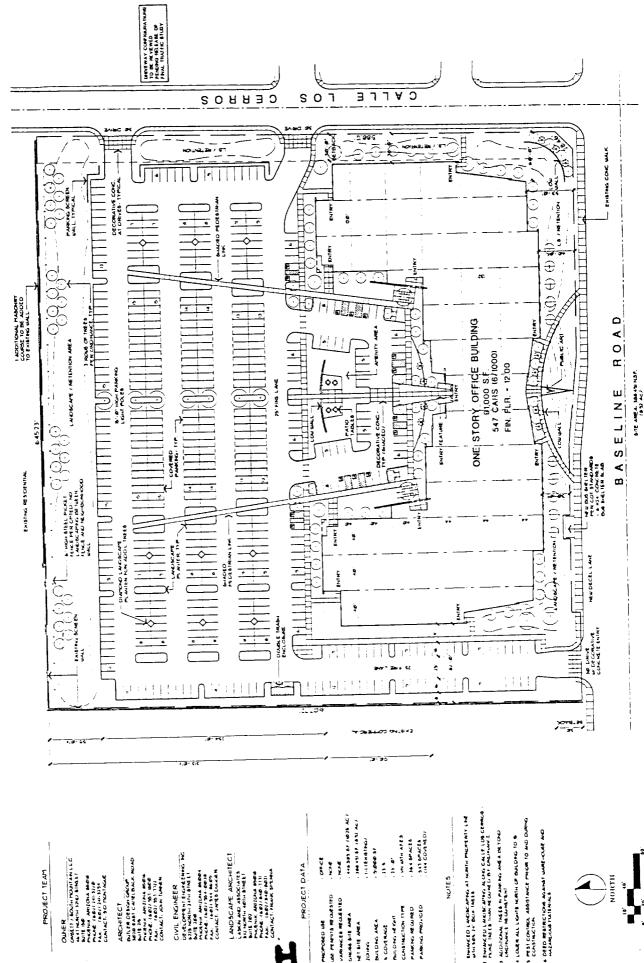
2420 WEST BASELINE ROAD TEMPE, ARIZONA

SPD-2001. 62









PROJECT DATA

PROPRED USE
USE PERTITS RECUESTED
VARANCES RECUESTED
GINCOLD SITE AREA
NET SITE AREA

CONSTRUCTION TYPE PARKING MECUINGED PARKING PROVIDED

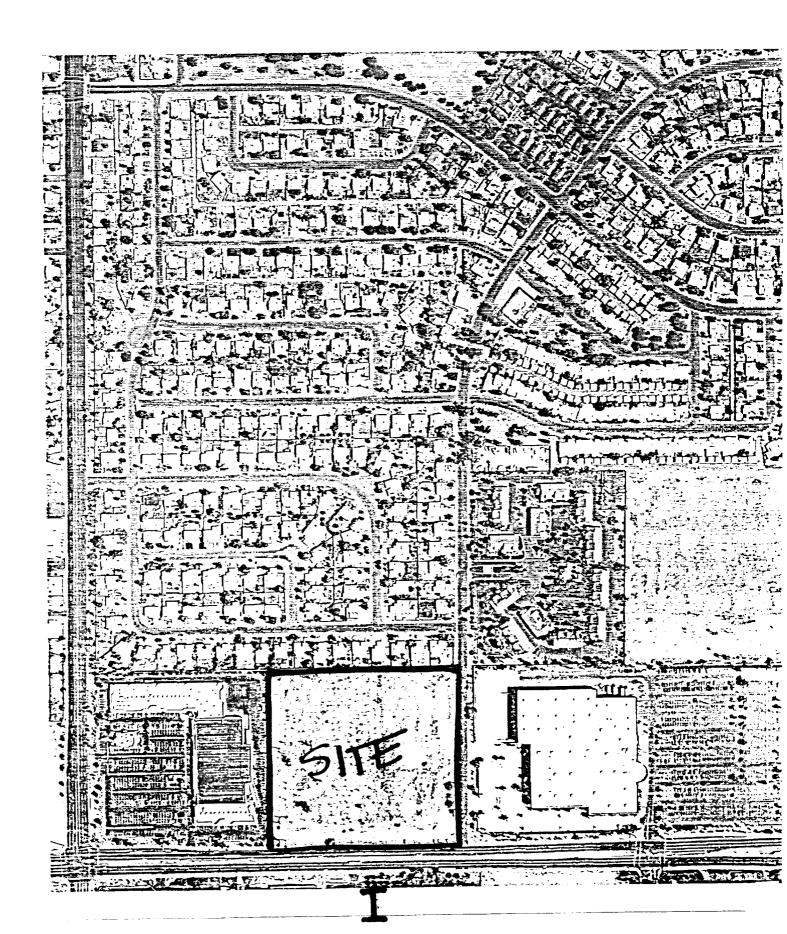
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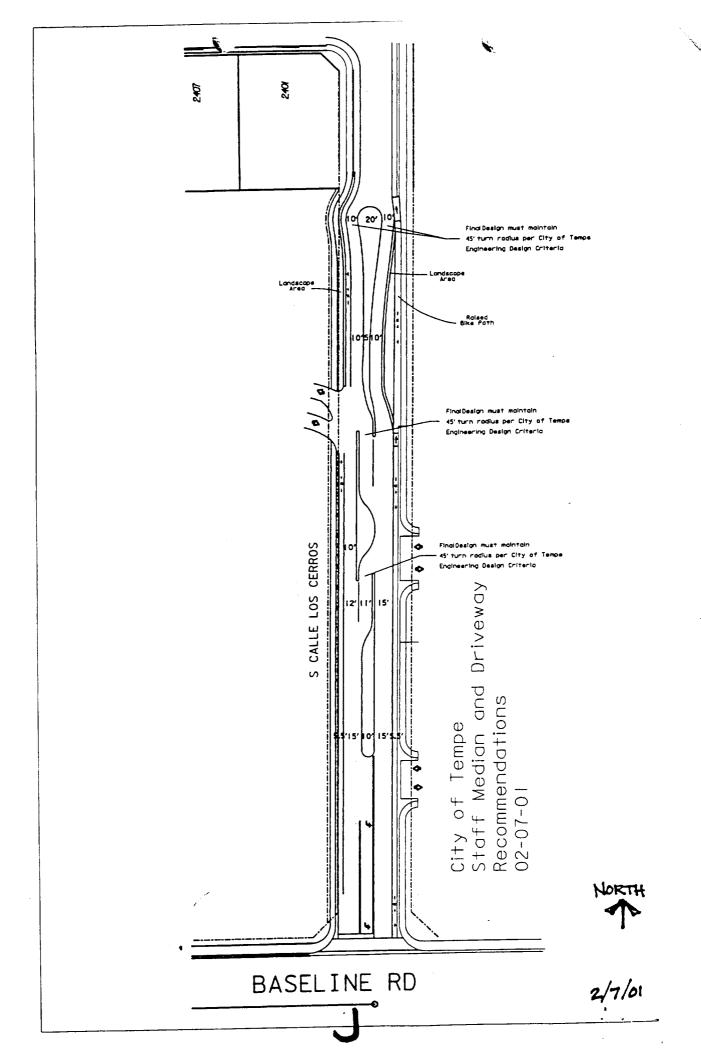
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CIVIL ENGINEER

PROJECT TEAM







# Baseline Road Traffic Study-48<sup>th</sup> Street to Darrow Lane

### **SUPPLEMENT #1**

### Prepared For:

Orset Properties

### Prepared By:

PARSONS BRINCKERHOFF QUADE & DOUGLAS, INC.

September 2001





### A. INTRODUCTION

This report is a supplement to the Baseline Road Traffic Study dated December 22, 2000. The purpose of this report is to document the changes resulting from an increase in the size of the development. The size of the development is proposed to be 105,000 square feet compared to the 82,000 square feet previously analyzed. The proposed development is located at the northwest corner of Baseline Road and Calle Los Cerros in Tempe. This analysis will focus on Baseline Road and Calle Los Cerros operations.

This supplement presents the revised site trip generation and a summary of the traffic analysis. For reference, the results from the December 22, 2000 study are shown in parenthesis where appropriate.

### **B. SITE CHARACTERISTICS**

The proposed development is a 105,000 (82,000) square foot office building located at the northwest corner of Baseline Road and Calle Los Cerros.

### 1. Trip Generation

An estimate of the traffic that will be generated by a proposed development can be made from factors compiled by the Institute of Transportation Engineers (ITE), an international society of engineers and planners in the traffic and transportation field or based on existing conditions.

Trip Generation for the site was calculated using the Institute of Transportation Engineers (ITE) land use 710 – General Office Building listed in the ITE Trip Generation, 6<sup>th</sup> Edition.

For ITE land use 710, the average daily trip generation rate per 1000 square feet gross floor area is 11.01 with a daily directional distribution of 50% entering and 50% exiting. The trip generation rate for the a.m. peak hour is 1.56 per 1000 square feet with 88% entering and 12% exiting. The trip generation rate for the p.m. peak hour is 1.49 per 1000 square feet with 17% entering and 83% exiting.

Table 1 presents a summary of the trip generation analysis for the site.

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**TABLE 1: TRIP GENERATION** 

USE SIZE	DAILY		AM PEAK		PM PEAK		
		IN	OUT	IN	OUT	IN	OUT
Office	105,000 sf (82,000)	578 (452)	578 (452)	144 (113)	20 (15)	27 (21)	129 (101)

(x) = results from December 22, 2000 study

### C. YEAR 2020

The year 2020 evaluation for the revised site was performed for two different scenarios at Calle Los Cerros and Baseline Road – with site traffic and stop sign control and with site traffic and signal control. The results are described in the following sections.

### 2. With Site and stop sign control (2020)

The average vehicle delay for the study corridor intersections for this scenario is 154 (154) seconds per vehicle. The PM peak hour delay on the southbound approach of Calle Los Cerros is 482 (482) seconds per vehicle with a maximum left turn queue estimated at 386 (386) feet. The actual average delay and queue will be less, since the computer model does not account for vehicles turning into the two way left turn lane and then merging in to eastbound traffic.

The average intersection delay in 2020 for each intersection within the study corridor is shown in Table 2 assuming a stop sign at Baseline Road and Calle Los Cerros with site traffic.

TABLE 2: 2020 INTERSECTION DELAY-STOP SIGN/WITH SITE

INTERSECTION	AVERAGE VEHICLE DELAY (SEC.)
Baseline Road and 48th Street	67 (67)
Baseline Road and Calle Los Cerros	42 (30)
Baseline Road and Pointe Parkway	50 (50)
Baseline Road and Wendler Drive	14 (14)
Baseline Road and I-10 EB off-ramp	28 (22)
Baseline Road and I-10 WB off-ramp	24 (24)
Baseline Road and Arizona Mills South	34 (31)
Baseline Road and Priest Drive	54 (53)
Baseline Road and Darrow Lane	28 (28)

(x) = results from December 22, 2000 study

SEP 2 4 2001



# TABLE 4: CALLE LOS CERROS AND BASELINE ROAD SOUTHBOUND TRAFFIC RESULTS

(15-MINUTE SIMULATION)

Alternative	SB Approach Delay Calle Los Cerros (secs/veh)	Maximum Left Turn Queue on Calle Los Cerros (ft)
2020 PM Peak with Office Building & Stop Sign on Calle Los Cerros	482 (482)	386 (383)
2020 PM Peak with Office Building & Signal on Calle Los Cerros	74 (47)	185 (185)

(x) = results from December 22, 2000 study

### D. SUMMARY AND RECOMMENDATIONS

This analysis updated the impacts of a proposed 105,000 square foot office building to be located at the northwest corner of Baseline Road and Calle Los Cerros compared to the results presented in the December 22, 2000 report. The following points summarize the results of this analysis.

- > The proposed site is 28 percent larger than previously analyzed
- The incremental traffic increase on Baseline Road in the peak hour based on the increased development size is less than one percent.
- The site impact on Baseline Road operations is negligible.
  - > The average vehicle delay at the intersection of Baseline Road and Calle Los Cerros increases from 30 to 42 seconds with stop sign control.
  - > The maximum left turn queue on Calle Los Cerros increases from 383 to 386 feet with stop sign control.
  - > The average vehicle delay at the intersection of Baseline Road and Calle Los Cerros increases from 48 to 55 seconds with traffic signal control.
  - > The maximum left turn queue on Calle Los Cerros remains unchanged with traffic signal control.

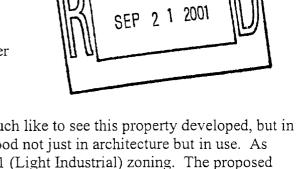
SEP 2 2001

Date: Sept. 21, 2001

To: Planning & Zoning Commission

From: Neighbors of the South Mountain Commerce Center

Re: SPD-2001.62



First we would like to make it clear that we would very much like to see this property developed, but in a way that would enhance and complement the neighborhood not just in architecture but in use. As you know, the property at 2420 W. Baseline Road has a I-1 (Light Industrial) zoning. The proposed building is similar to those along Baseline Road in Phoenix and at 48th Street and Broadway in the Cotton Center. This type of building is known as industrial "flex" space. The 21-foot roof height gives it the flexibility to be either back office or warehouse/manufacturing, and its horseshoe-shape is a common configuration for trucking centers.

When City Planners looked at this site to develop the 2020 General Plan, they decided retail would be the best fit for the area. Retail or offices which residents could use would maintain the long-term viability of the neighborhood. The area has changed dramatically since the property obtained its I-1 zoning 18 years ago. Considering those changes and that the traffic on Baseline Road is getting worse, we don't feel this project should become any more intense.

The developer's *intention* is for the building to be used as a back office telemarketing center, however the size of the building combined with the I-1 zoning allows for many other uses that are not "neighborhood friendly." The plan shows what the building will *look* like, but not what its use will *be*. In reality, it's an empty shell that could house any number of undesirable uses. There are too many unknowns with the I-1 zoning. Any conditions the city places on the owner to limit industrial use will not carry over if the property is sold. The stipulations could easily be overturned by going through a public hearing at City Council. The building may be office space at first, but what will it be in five years? It's an important question for the neighborhood. We don't want to have to babysit this property, we want to put it to rest.

Mike Freret of Orsett contacted some neighbors shortly after the March approval and said they wanted a bigger building. In exchange they offered to downzone to a more compatible zoning (Industrial Buffer District). However when Orsett resubmitted plans for the larger building, they did not include the zoning change. All the nearby businesses, including Fry's Electronics, Fry's Grocery, the motel and the garden office park on Wendler Drive, DOWNZONED from I-1 to the zoning appropriate for their declared uses. The only assurance for the neighborhood in the long run is to take care of the zoning now. If the developer wants a bigger building, we want him to follow through with the offer to downzone. If all the developer wants is office space, then downzoning shouldn't be a problem. Instead they have told us they want the property to have the I-1 capability when it comes time to sell it. That is exactly what the neighborhood doesn't want.

In short, a large concern for the neighborhood is the ambiguousness of this center. A whole gamut of detrimental uses could go there. It's important that the developer declare his intentions and stick with them by giving us the zoning to back it up. If they won't change the zoning, we feel the building shouldn't get any bigger or closer to our homes given its industrial nature -- not to mention the impact on traffic conditions. Please don't give this your approval without the needed zoning change.

### Planning & Zoning Commissioners and City Council Members:

Due to the significant public outcry over this project, the incompatible zoning of I-1 next to residential, and the speculative nature of this project, we, the neighbors along the north property line, ask you to deny the South Mountain Commerce Center (SPD-2001.62) the increase in square footage from 91,000 to 105,000 unless Orsett Southwest Limited agrees to reinstate the offer they made in April 2001 to re-zone the property to IBD (Industrial Buffer District).

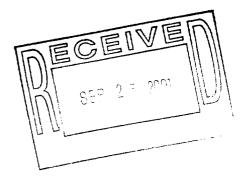
Name	Address
Believe Fala Serrel	2509 Whenbar Dirw, Tega, tz
Carson Towers	2503 W Dunbur Drive.
Monica Spes	2401 w Dunbar Tempe MZ
Vicente Simenez	2401 a Donbar Jampe AZ
Ja O Honos	2413 W. Dunbar Sh. Tompota 8528
Trada Usen	2515 W. Dunbox TenPe, A2828.
Josephin Wilson	2515 W. Wunbar Tempe 28528
Ameda Cufbreth	2407 W. Dunlar Dr., TEMPE 8528
Christophux, Cutt	- 2407, W. Dunbar Dr. Tempe 8528
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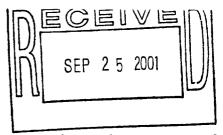


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Name PAULINA HARNER	Address
Laulina Harner	2527 W. Dunbar Dr.
Glorin Myces	2521 W. Dunbar Dr Jempe
UShall X Willes	2419 W. Dunhar Dr. Terpe
Eduar Ch Them	2419 IV. Dunberr 17r. Tempe
aus + Eller Lyler	2001 W. Dunkan Dr. Tempe
andy Brown	2509 W. Dunhar Dr Tempe
KNAGA BURG	2503 W Dinhan Da. Tenz
	AZ 2326





Dear Neighbor,

As you may be aware, Orsett Properties owns the property on the northwest corner of Baseline Road and Calle Los Cerros. In April, Orsett received approval from the City Council to construct a one-story office building on that site. A substantial slowdown in the commercial real estate market over the past few months has caused Orsett to revise the approved plan and expand the size of the building by 15%. These modifications will significantly enhance the project's chances for attracting quality tenants and help create a desirable office environment over the long-term. The site plan attached to this letter shows the old approved building, as well as the proposed areas of expansion. This represents the same information included in the package that was hand delivered to over 600 homes prior to the August 9<sup>th</sup> neighborhood meeting hosted by Orsett to answer questions about the proposed changes.

As a result of this expanded plan, Orsett will be able to add the following enhancements and improvements to the site:

- Orsett will construct a masonry accent wall adjacent to the building along Calle Los Cerros with flowering beds, 24" and 36" box shade trees, a meandering concrete sidewalk and grassy berms to create a park-like feel. This will provide a more attractive and distinctive entryway to and from the neighborhood.
- Orsett will significantly increase the size of the trees along the north border of the site from 15-gallon size (4 feet average height) to 36-inch box size (8-10 feet average height). Additional trees will also be added to create a third row between the adjacent homes and the office parking area. This will provide a more immediate and significant buffer between the site and the adjacent neighborhood.
- Orsett will reduce the amount of parking, thereby reducing traffic going to and from the site.

Please note that Orsett has not requested any modifications to the stipulations required by the City Council; the revised project still includes only one curb cut onto Calle Los Cerros, no right turns are permitted into the site by southbound cars on Calle Los Cerros, and the new plan still incorporates the enhanced landscaped median system proposed by the City and supported by the neighborhood last spring. Also, the revised plan incorporates the neighbors' request to further reduce the height of the building by lowering the floor of the building, and moves the building back from Baseline Road an additional 5 feet, creating more landscape buffer along the street frontage.

If you agree that this revised plan represents a better, more neighborhood friendly project that the currently-approved plan, and that the City Council should approve this new plan, please indicate your support by signing below. Your participation and acknowledgment will help the City of Tempe Planning Commission and City Council better understand the feelings of the majority of the neighborhood.

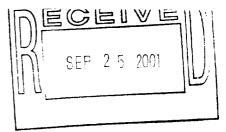
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### Sign-Up Sheet

I think that the revised plan represents a better, more neighborhood friendly project that the currently-approved plan, and that the City Council should approve the new plan. I hope that my participation and acknowledgment will help the City of Tempe Planning Commission and City Council better understand the feelings of the majority of the neighborhood.

Signed: Name: Chr. 5 D. H. Coly	Date: 8-20-01 Street Address: 2100 W. Ganden
Signed: KIMON T. KALLEROIS Name: KIMON T KALLEROIS	Date: 8-20-01 Street Address: 2020 w GARDEN DR
Signed: bould tel Name: Donald KiEL	Date: 7-20-01 Street Address: 2003W Hunden volu
Signed: Name: Mason	Date: 8-20-01 Street Address: Zool W. Coardon Ot
Signed: Dana Martinez Name: Dana Martinez	Date: 8 20 0   Street Address: 2015 W Garden B
Signed: Xun (alaba) Name: Kim Casaooph	Date: 8 28 01 Street Address: 2021 W. Gardyn Or
Signed: Doug Courison Name: Doug Courison	Date: 8-20-0 ( Street Address: 2008 W. Counder Dr
Signed: Name: Anna Ci BA Pank	Date: 9/25/0/ Street Address: 2112 w Candy
Signed: Daviel Bochna Name: Daviel Bochna	Date: $9/25/01$ Street Address: $2103$ W. Deserce
Signed: MESALOMENE	Date: 7-25-01 Street Address: 21160.6ardenDr
Signed Aclass I fort Name: ALDREW I VOST	Date: 9-25-01 Street Address: 2313 W. DESIREE LN





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Signed: Mucholl Habrel Name: Michelle Jaksick	Date: 9-25-01 Street Address: 2/39 W. FIV: CV9
Signed: John John Polk Name: KANY J. G. Bon - Polk	Date: 9-25-01 Street Address: 2002 44 GRUNN DA
Signed: Decar D. Condops	Date: Street Address:
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On a motion by Commissioner Huellmantel, seconded by Commissioner Oteri, the Commission with a vote of 7-0, continued the following item until 10/09/01:

PLANNED DEVELOPMENT (0406) ORDINANCE NO. 808.2000.06 Continue until October 9, 2001 the public hearing for RIO SALADO ANNEXATION AREA (Troy Valentine, property owner and authorized representative on behalf of property owners of the Rio Salado Annexation Area) for a zoning change from AG Agricultural District and I-2 General Industrial District to I-3 Heavy Industrial District for existing businesses. These properties were recently annexed by the City of Tempe. Before then, some of these properties were part of Maricopa County and had I-3 zoning. All 110 acres within the annexation area were designated AG when it was annexed into the City of Tempe in November of 1999. On March 30, 2000, 85% of the properties were rezoned to I-2 General Industrial. This request is on behalf of 51 property owners who request I-3 Heavy Industrial zoning for 65 acres. The following approvals are requested from the City of Tempe:

a. #ZON-2000.06 ORDINANCE NO. 808.2000.06 A zoning change from AG Agricultural District and I-2 General Industrial District to I-3 Heavy Industrial District for specific properties within the Rio Salado Annexation Area consisting of 65 net acres with boundaries of McClintock Drive to the west, Rio Salado Parkway & 3<sup>rd</sup> Street to the south, Price to the east and the Salt River to the north (file address: 1812 E. Rio Salado Parkway).

(Continued from the April 25, September 12, 2000, January 23, March 27, June 26, and August 28, 2001 Planning Commission meetings.)

### THE PLANNING COMMISSION THEN RETURNED TO THE REGULAR AGENDA.

PLANNED DEVELOPMENT (0406) Hold a public hearing for SOUTH MOUNTAIN COMMERCE CENTER (Michael Freret, Orsett Southwest, Ltd., property owner) for an office complex in the I-1 Zoning District, located at 2420 West Baseline Road. The following approval is requested from the City of Tempe:

**#SPD-2001.62** An Amended Preliminary and Final Planned Area Development for a 105,000 s.f. one story office complex on 8.92 net acres located at 2420 West Baseline Road.

Jeff Cutberth with Butler Design Group represented the applicant and explained the request. Mr. Cutberth stated that there has been a large amount of office development over the years which has produced a glut in the valley and increased vacancy rates. As a result of these vacancy rates, financial institutions have lowered the parking ratio requirements for financing developments.

Mr. Cutberth further stated that he will discuss only those issues that have changed since the last approval in the spring. Mr. Cutberth met with staff on several occasions and invited neighbors to view the plans in their office. They also mailed over 600 letters to neighbors and held a forum to discuss the issues. Approximately 15 to 20 people attended this forum. The above was conducted prior to P & Z submittal.



Mr. Cutberth stated that the building has been increased from 91,000 s.f. to 105,000 s.f. with a lowered parking ratio, increased landscaping along the north property line and the building height lowered by 3 feet. The increase in the building was accomplished by extending and widening the two legs of the building to the north.

Landscaping along the north property line will include a 6 foot security wall with three rows of trees consisting of 24 inch and 36 inch box trees. Mr. Cutberth will work with staff to come up with the right mix of trees and species that will provide maximum screening. Between the building and north property line there will be approximately 200 trees.

There will be no knock out panels. All stipulations are carried with the property and not ownership. Although downzoning was discussed at previous council meetings, Mr. Cutberth wanted to reiterate that they are not going to volunteer to downzone the property to IBD.

The following spoke in favor of the project and gave the reasons listed below:

Patrick Brenner Mike Salomone Butch Casdorph Michelle Yaksick

- Developer did a good job of presenting site plan at neighborhood forum. Consensus of the group that attended this forum was overall positive.
- Wants to get something built on the property.
- Believes additional landscaping enhances the overall site plan.
- Property values have increased over the last few years and believes this development will continue the trend.
- Vacant property is ugly and homeless people have been known to sleep under trees on the property.
- Submitted a petition containing the names of people that are happy with the plan.
- Believes plan satisfies original intent of neighborhood committee.

The following spoke in opposition to the project and gave the reasons listed below:

Ed Wilson Cindy Brown
Paula Leonard Pauline Harner
John Smith Rich Leonard

Poly Slaves a big

Bill Faint Rob Skurgonkipwicz

- Concerned with uses and increased density of the site.
- Presented two separate petitions requesting that the property be downzoned to IBD.
- Believes the recorded plan consisting of a multi-story building would guarantee office use.
- Poor design and too much parking.
- Concerned with traffic and cutting through the neighborhood.
- Would prefer the plan that was approved in the spring.
- Concerned that there will be truck docks.
- Doesn't believe it will get <u>built</u> and then neighbors will need to deal with something else.

Ms. Kimbrell gave the staff recommendation as approval subject to the conditions as listed in the staff report.

Commissioner Huellmantel asked staff if there was any type of a test available whereby the developer would need to show hardship; i.e., when there is a variance the developer must indicate an existing hardship. Mr. Tapia stated that there are no requirements for a developer showing hardship when variances do not exist.

Mr. Venker stated that the review of this project would have to be based upon the impact on the neighborhood to the north and businesses in the area. There has been some follow-up technical analysis with Rob Conway from the Traffic Division of the Public Works Department, and this plan reflects a minimal effect on the traffic impact study.

In rebuttal, Mr. Cutberth stated that the project has evolved as they went through the process. The zoning should be able to enforce stipulations. There is significant improvement of trees and berms. There is no intent to convert the docks to bay doors. The building is not set up to accommodate future industrial uses.

In answer to a question by Commissioner Huellmantel on why the modifications were necessary, Mr. Cutberth stated that they had to contribute \$34,000 in mitigation funds. With the circumstances of renting space, the developer needed more space.

Mike Freret, with Orsett, stated that rental rates dropped by 15% in 2001. The size of the project has always been tight and with the decline of rental rates forced the developer to re-think and modify their site plan. It makes more economic sense to use a constant dollar figure thereby the net income will be increased and recouped earlier.

**MOTION:** Commissioner Di Domenico made a motion to approve #SPD-2001.62 with the conditions as noted in the staff report. Commissioner Collett seconded the motion.

Commissioner DiDomenico stated that he realizes that this request is driven by the market. He approached this request by not judging whether this version was better or worse that the previous request (which was not recorded), but compared this present version with what was recorded several years ago. Clearly this is a better version for the site and was heartened to hear that there is some support. Commissioner DiDomenico also stated that there is improved access, landscaping and reduced height of the building. He hoped that the developer would offer downzoning but understands why this is not possible due to the risk involved.

Commissioner Vaz will also support the motion and appreciates the turn out from the neighborhood. Believes the landscape buffer will enhance the project and protect the neighbors and it is also a better building.

Commissioner Spitler stated that as a PAD, the Commission is to view the impact to the neighborhood. He was concerned when the project was 91,000 s.f. and cannot support the project at even a larger scale.



**VOTE:** Passed 4-3 (Commissioners Mattson, Huellmantel and Spitler dissented).

Mr. Venker announced that there will be two public hearings before the City Council on October 11 and October 18, 2001 and the Design Review Board will hear the request on October 3, 2001. All meetings will be held in the Council Chambers.

The approval was subject to the following conditions:

- 1. a. The Public Works Department shall approve all roadway, alley, and utility easement dedications, driveways, storm water retention, and street drainage plans, water and sewer construction drawings, refuse pickup, and off-site improvements.
  - b. Off-site improvements to bring roadways to current standards include:
    - (1) Water lines and fire hydrants
    - (2) Sewer lines
    - (3) Storm drains
    - (4) Roadway improvements including street lights, curb, gutter, bikepath, sidewalk, bus shelter, and related amenities.
  - c. Fees to be paid with the development of this project include:
    - (1) Water and sewer development fees
    - (2) Water and/or sewer participation charges
    - (3) Inspection and testing fees
  - d. All applicable off-site plans shall be approved prior to recordation of Final Subdivision Plat.
- 2. a. All street dedications shall be made within six (6) months of Council approval.
  - b. Public improvements must be installed prior to the issuance of any occupancy permits. Any phasing shall be approved by the Public Works Department.
  - c. All new and existing, as well as on-site and off-site, utility lines (other than transmission lines) shall be placed underground prior to the issuance of an occupancy permit for this (re)development in accordance with the code of the City of Tempe Section 25.120.
- 3. Should the property be subdivided, the owner(s) shall provide a continuing care condition, covenant and restriction for all of the project's landscaping, required by Ordinance or located in any common area on site. The CC&R's shall be in a form satisfactory to the Development Services Director and City Attorney.
- 4. Applicant shall contribute on half the cost (not to exceed \$55,000) of design and installation of a traffic light at Baseline Road and Calle los Cerros. City will install the light prior to completion of the building construction.



- 5. Applicant shall construct and install traffic medians on Calle los Cerros adjacent to development drives to prohibit left turn movements out of the development and into the neighborhood. Medians shall be installed prior to occupancy permits for the building. Plans to reflect the final design prior to recordation. (Refer to Attachment J)
- 6. Applicant shall construct and install a traffic circular island with narrow traffic lanes on Calle los Cerros Drive near the northern property line of the development to create a physical change in the character of the street between the neighborhood and development. The island shall be installed prior to issuance of occupancy permits for the building. This feature should be designed as an art element to create a "gateway" to the neighborhood. Applicant shall work with transportation staff and the neighborhood to determine final design of this feature. Plans to reflect the final design prior to recordation. (Refer to Attachment J)
- 7. Only one driveway shall be allowed on Calle los Cerros. Details of the driveway design and location to be approved by staff. Plans to be modified prior to recordation.
- 8. Applicant/Owner cannot change or modify floor plate or add bay doors without obtaining approval through a public hearing process.
- 9. Developer shall modify plans to reflect street modifications proposed by the Public Works Department Transportation Division. Final design must maintain a 45' turning radius per City of Tempe Engineering Division design criteria. Plans to reflect the final design prior to recordation. (Refer to Attachment J)
- 10. Developer shall furnigate the property for pest control prior to grading and dirt removal.
- 11. Developer shall provide and install a bus shelter and accompanying furniture, etc., a pedestrian access and a deceleration lane, all on Baseline Road; details shall be resolved with Public Works staff and the items installed prior to any occupancy permits being issued for the building.
- 12. Accommodation for bike lanes on Calle los Cerros should be maintained through all street modifications. This may require some street widening in the area of the left turn preventative islands, depending on final detail.
- 13. No variances may be created by future property lines without the prior approval of the City of Tempe.
- 14. The applicant shall comply with all applicable state and federal laws regarding archeological artifacts on this site.
- 15. A lot-tie agreement must be processed with the Development Services Department prior to the issuance of any construction permits for this project.
- 16. Hazardous materials shall be restricted within the building in accordance with the I-1, I-2, C-1 Overlay District standards.
- 17. Developer shall install one additional light pole and lamp and relocate one existing light pole on Baseline Road. Details to be resolved with Public Works staff and work completed prior to issuance of any occupancy permits for the building.

18. Developer shall contribute \$33,500 towards the cost of mitigating the impact of the project on the neighborhood over and above the expenditures for Items 5, 6 & 7. The city will provide the additional funds necessary to complete the traffic mitigation measures determined in consultation with the neighborhood. If the developer's mitigation funds have not been expended by October 18, 2004, the balance of the funds will be returned to the developers. **Note:** If neighborhood desires to reallocate some of the \$33,500 that the applicant is contributing to the traffic mitigation on Minton, Vineyard and Calle los Cerros, it can be applied to the landscape redesign.

(0425 – 3914) Tape #1 (0001 – 1164) Tape #2

The regular meeting of the Planning & Zoning Commission adjourned at 9:00 p.m.

Hector Tapia Senior Planner

/jrh